Non-Monetary Incentives

USMC Retention Conference

LMI
GOVERNMENT CONSULTING

THE OPPORTUNITY TO MAKE A DIFFERENCE HAS NEVER BEEN GREATER

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Task Objective & Methods

- Develop implementation plan to market NMIs & positively impact retention
  - What NMIs are most important in career decisions?
  - What tools work best?
- Data Sources
  - Private sector companies (May/Jun 04)
  - DMDC survey (Jul 04)
  - Service retention experts (May – Nov 04)

Focus on what works best

What are the most important NMIs affecting retention?

- ✓ Non-Monetary Incentive (often called a benefit)
  - ❑ Program/activity/job element that positively influences behavior (i.e., re-enlist) that does not translate into dollars in military member's pocket
  - ❑ Examples: training, SGLI, leave, space A travel
- ✓ Open discussion
  - ❑ "Drill down" to factors for specific demographic groups
- ✓ Exclude from "Top 3" rankings *
  - ❑ Health care (member & family)
  - ❑ Retirement plan
  - ❑ Commissary
  - ❑ Exchange
- ✓ Identify tools currently being used to market NMIs

* Importance already documented in past research & currently heavily marketed

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Back-Up Slides

Data Gathering – Private Sector

NMIs

- Educational Benefits (for getting a degree)
- Employee Training (for job-related skills)
- Child/Elderly Care
- Alternate Work Schedules/Flextime
- Leave/Vacation Policies
- Relocation Benefits and Assistance
- Life Insurance
- Retirement Eligibility
- Employee Fitness/Health
- Recognition
- Internal communication

- Questions for Private Sector

  - What NMIs does your company currently offer? Are they available to all employees, or are they targeted to specific segments (e.g., based on age, educational level, job series)? Once offered, how easy is it to discontinue NMIs (i.e., do employees consider as "entitlement")?
  - How do you advertise/market NMIs? How do you get the word out to potential employees during recruitment? How do you emphasize NMIs to current employees for retention?
  - What NMIs have worked particularly well for retaining quality employees? Does it vary by segment (mentioned earlier: age, education, job)? Have you seen a change in what NMIs are valued by employees over the past couple years? Does it depend on the general economy?
  - What retention challenges do you foresee for your company in the future? What are your plans for using NMIs as tools to meet these challenges?

Data Gathering – DMDC Survey

- **Developed questions to capture relative importance of NMIs in retention decision**
  - **Identify top 5 from list of 30 NMIs ***
- **Major categories excluded**
  - **Health care & retirement plan (always rated highly as retention factor)**
  - **Commissary &exchange (high usage rates show high awareness so would not be part of marketing plan)**
  - **All MC&FP programs* (e.g. education, housing, MWR facilities/activities, youth/childcare, family assistance)**
- **Asked to "write-in" MOST important NMI (open-ended question)**
- **Status: Forwarded to DMDC (20 Apr 04)**
- **Survey to be given in Jul 04**
- **Results NET Sep 04**

Annual leave	PCS Stability
Military values, lifestyle, tradition	Government issued equipment
SGLI	Travel
Emergency relief societies	Training & professional development
Quality of work environment	Amount of personal/family time
Quality of leadership	Space A travel
Job security	Convalescent leave
Career advancement	Rotational assignments
Pride in serving country	Duty Station Preferences
Off-duty education	Thrift Savings Plan
Choice of jobs	Unit integrity
Retraining opportunity	Unit professionalism
Challenging job	Dental insurance
Sense of accomplishment	Amount of time away from home base
Credit union	Other

* Derived from dry-run focus groups & past DMDC surveys

Data Gathering – Retention Conferences

- ✓ LMI/OSD meet with small group(s) of conference attendees
  - Open discussion about what NMIs are factors in retention decisions
    - "Drill down" to factors for specific demographic groups
  - Maximum schedule flexibility (evening, working lunch, etc)
  - 10-12 people in each group
  - One hour sessions

Service	Location	Date(s)
USMC	San Diego CA	17-20 May 04
Navy	Millington TN	Jun 04
USAF	Randolph AFB TX	Jul 04
Army	Arizona	Nov 04

- ✓ Identify tools currently being used to market NMIs

NMI Task definitions

Entitlement - Element of compensation package expressly defined in law that is ***mandatory*** for all employees. Includes monetary & non-monetary. Examples: health care eligibility, 20 year retirement, SGLI.

Discretionary Benefit - Benefit (monetary or non-monetary) that can be offered to specific kinds of employees based on individual circumstances (e.g., job or location of service). Allows targeting to induce desired behavior in certain populations. Examples: COT leave, SRBs, tuition assistance

Non-monetary Incentive - A program/activity/job element that positively influences behavior (i.e., re-enlist) that does not translate into dollars in employee's pocket. Can be entitlement or discretionary benefit. Examples listed above.